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Attorneys for James W. Giddens, Esq.,
as Trustee for the SIPA Liquidation of
the Business of Lehman Brothers Inc.

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X	
In re	: Chapter 11 Case No.
	:
LEHMAN BROTHERS HOLDINGS INC., et al.,	: 08-13555 (JMP)
	:
Debtors.	: (Jointly Administered)
	:
-----X	
In re	:
	:
LEHMAN BROTHERS INC.	: Case No. 08-01420 (JMP) SIPA
	:
Debtor.	:
	:
-----X	

**DUAL NOTICE OF PRESENTMENT OF STIPULATION AND ORDER BETWEEN
AND AMONG LEHMAN BROTHERS HOLDINGS INC., JAMES W. GIDDENS, AS
TRUSTEE FOR LEHMAN BROTHERS INC., AND DENNIS J. CONNOLLY, IN HIS
CAPACITY AS PLAN ADMINISTRATOR OF SONICBLUE, INCORPORATED
AND ITS AFFILIATED DEBTORS REGARDING DISTRIBUTIONS
FROM THE SONICBLUE, INCORPORATED BANKRUPTCY ESTATE**

PLEASE TAKE NOTICE that the undersigned will present the annexed
stipulation and order (the “Stipulation and Order”) to the Honorable James M. Peck, United
States Bankruptcy Judge, for approval and signature on **August 3, 2009 at 12:00 noon**

(Prevailing Eastern Time). The Stipulation and Order relates to a Lehman Brothers allowed claim scheduled by the SONICblue, Inc. bankruptcy estate, as further described in the Stipulation and Order.

PLEASE TAKE FURTHER NOTICE that objections, if any, to the relief requested in the Stipulation and Order shall be in writing, shall conform to the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) and the Local Rules of the Bankruptcy Court for the Southern District of New York, shall set forth the name of the objecting party, the basis for the objection and the specific grounds thereof, shall be filed with the Bankruptcy Court electronically in accordance with General Order M-242 (which can be found at www.nysb.uscourts.gov) by registered users of the Bankruptcy Court’s case filing system and by all other parties in interest, on a 3.5 inch disk, preferably in Portable Document Format (PDF), WordPerfect, or any other Windows-based word processing format (with two hard copies delivered directly to Chambers), and shall be served upon: (i) the chambers of the Honorable James M. Peck (“Chambers”), One Bowling Green, New York, New York 10004, Courtroom 601; (ii) Weil Gotshal & Manges LLP, 767 Fifth Avenue, New York, New York 10153, Attn: Richard P. Krasnow, Esq., attorneys for the Debtors; (iii) Hughes Hubbard & Reed LLP, One Battery Park Plaza, New York, New York 10004, Attn: James B. Kobak, Jr., Esq., and Jeffrey S. Margolin, Esq., attorneys for James W. Giddens, Esq., as Trustee for the SIPA Liquidation of the Business of Lehman Brothers Inc.; (iv) the Office of the United States Trustee for the Southern District of New York, 33 Whitehall Street, 21st Floor, New York, New York 10004 Attn: Andy Velez-Rivera, Esq., Paul Schwartzberg, Esq., Brian Masumoto, Esq., Linda Riffkin, Esq., and Tracy Hope Davis, Esq.; (v) Milbank, Tweed, Hadley & McCloy LLP, 1 Chase Manhattan Plaza, New York, New York 10005, Attn: Dennis F. Dunne, Esq., Dennis O’Donnell, Esq., and Evan

Fleck, Esq., attorneys for the official committee of unsecured creditors appointed in these cases;
(vi) Securities Investor Protection Corporation, 805 Fifteenth Street, N.W., Suite 800,
Washington, DC 20005, Attn: Kenneth J. Caputo, Esq.; (vii) Alston & Bird LLP, 1201 West
Peachtree Street, Atlanta, Georgia 30309, Attn: Grant T. Stein, William S. Sugden, Esq.; and
(viii) any person or entity with a particularized interest in the Stipulation and Order, so as to be
filed and received no later than **August 3, 2009 at 11:00 a.m. (Prevailing Eastern Time)** (the
“Objection Deadline”).

PLEASE TAKE FURTHER NOTICE that if an objection to the Stipulation and
Order is not received by the Objection Deadline, the relief requested shall be deemed unopposed,
and the Bankruptcy Court may enter an order granting the relief sought without a hearing.

PLEASE TAKE FURTHER NOTICE that if a written objection is timely filed
prior to the Objection Deadline, a hearing (the “Hearing”) will be held to consider the Stipulation
and Order on **August 5, 2009 at 10:00 a.m. (Prevailing Eastern Time)** before the Honorable
James M. Peck, United States Bankruptcy Judge, at the United States Bankruptcy Court,
Alexander Hamilton Customs House, Courtroom 601, One Bowling Green, New York, New
York 10004.

PLEASE TAKE FURTHER NOTICE that objecting parties are required to
attend the Hearing, and failure to appear may result in relief being granted or denied upon
default.

Dated: July 24, 2009
New York, New York

/s/ Richard P. Krasnow
Richard P. Krasnow

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/s/ Jeffrey S. Margolin
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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re	: Chapter 11 Case No.
LEHMAN BROTHERS HOLDINGS INC., et al.,	: 08-13555 (JMP)
Debtors.	: (Jointly Administered)
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In re	:
LEHMAN BROTHERS INC.	: Case No. 08-01420 (JMP) SIPA
Debtor.	:
-----X	

**STIPULATION BETWEEN AND AMONG LEHMAN BROTHERS
HOLDINGS INC., JAMES W. GIDDENS, AS TRUSTEE FOR LEHMAN
BROTHERS INC., AND DENNIS J. CONNOLLY, IN HIS CAPACITY
AS PLAN ADMINISTRATOR OF SONICBLUE, INCORPORATED
AND ITS AFFILIATED DEBTORS REGARDING DISTRIBUTIONS
FROM THE SONICBLUE, INCORPORATED BANKRUPTCY ESTATE**

WHEREAS, commencing on September 15, 2008 and periodically thereafter (as applicable, the "Bankruptcy Commencement Date"), Lehman Brothers Holdings Inc. ("LBHI") and certain of its subsidiaries (collectively, the "Lehman Debtors") commenced with this Court voluntary cases (the "Lehman Bankruptcy Cases") under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code");

WHEREAS, on September 19, 2008 ("SIPC Commencement Date"), a proceeding was commenced under the Securities Investor Protection Act of 1970 ("SIPA") with respect to Lehman Brothers Inc. ("LBI") and James W. Giddens was appointed as Trustee under the SIPA (the "LBI Trustee") to administer LBI's estate (Case No. 08-01420, such proceeding, the "SIPA Proceeding");

WHEREAS, on March 21, 2003, SONICblue, Incorporated, Diamond Multimedia Systems, Inc., ReplayTV, Inc., and Sensory Science Incorporated (collectively, the "SONICblue Debtors") filed voluntary petitions under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Northern District of California (the "SONICblue Bankruptcy Court"), jointly administered under case number 03-51775 (the "SONICblue Bankruptcy Proceeding");

WHEREAS, the SONICblue Debtors scheduled “Lehman Brothers” as holding a non-contingent, undisputed, and liquidated claim in the SONICblue Bankruptcy Proceeding of \$1,327,188 (the “Allowed Lehman Brothers Claim”);

WHEREAS, neither the Lehman Debtors, LBI, nor any their affiliates filed a proof of claim in the SONICblue Bankruptcy Proceeding;

WHEREAS, on April 17, 2007, Dennis J. Connolly was appointed as chapter 11 trustee for the SONICblue Debtors;

WHEREAS, on October 24, 2008, the SONICblue Bankruptcy Court entered an order confirming a joint plan of liquidation for the SONICblue Debtors (the “SONICblue Plan”);

WHEREAS, pursuant to the SONICblue Plan, Dennis J. Connolly was appointed as plan administrator of the SONICblue Debtors (the “SONICblue Plan Administrator”);

WHEREAS, pursuant to the SONICblue Plan, the holder of the Allowed Lehman Brothers Claim is entitled to receive distributions as an unsecured creditor of the SONICblue Debtors;

WHEREAS, counsel to the SONICblue Plan Administrator has conferred with counsel to the Lehman Debtors and counsel to the LBI Trustee regarding the identity of the holder of the Allowed Lehman Brothers Claim;

NOW, THEREFORE, in consideration of the mutual covenants set forth below, IT IS HEREBY STIPULATED AND AGREED BY THE PARTIES HERETO THAT:

1. Each of the recitals set forth above is true and correct and incorporated herein.
2. The effective date of this stipulation (the “Effective Date”) shall be the date on which an Order is entered in the Lehman Bankruptcy Cases and the SIPA Proceeding authorizing and approving this stipulation.
3. LBI shall be entitled to receive any and all distributions on account of the Allowed Lehman Brothers Claim in accordance with the terms of the SONICblue Plan; provided, however, that nothing in this stipulation shall affect or be determinative of the rights, as among the Lehman Debtors and LBI, as to the legal right to, or to retain, such distributions.
4. Notwithstanding anything to the contrary in this stipulation, provided that the SONICblue Plan Administrator makes distributions on the Allowed Lehman Claim in accordance with the terms of this stipulation, neither the SONICblue Plan Administrator nor the bankruptcy estates of the SONICblue Debtors shall incur any liability to nor shall there be any claim asserted by the Lehman Debtors, their non-debtor affiliates within their direct or indirect control (other than LBI), or LBI arising from or related to the distributions to be made on account of the Allowed Lehman Claim.

5. From and after the Effective Date, the SONICblue Plan Administrator shall make any and all distributions on the Allowed Lehman Brothers Claim in accordance with the terms of the SONICblue Plan to the LBI Trustee and any account or accounts the LBI Trustee may direct.

6. To the extent that it is later determined, by agreement of LBI and the Lehman Debtors, or by order of a court of competent jurisdiction, that any of the Lehman Debtors or their non-debtor affiliates had a superior right to the distribution from the SONICblue Plan Administrator, such Lehman Debtor or non-debtor affiliate shall have an administrative expense claim in the SIPA Proceeding equal to any monies LBI receives from the SONICblue Plan Administrator.

7. The LBI Trustee is authorized to execute any document and take any other action necessary to allow the SONICblue Plan Administrator to make distributions on the Allowed Lehman Brothers Claim in accordance with the terms of this stipulation.

8. This stipulation may be signed in counterparts which, when taken as a whole, shall constitute one and the same document; and faxed signatures shall be deemed originals.

9. Each individual signing this stipulation on behalf of any party hereto acknowledges and, with respect to his or her own signature below, warrants and represents that he/she is authorized to execute this stipulation in his/her representative capacity, as reflected below and on behalf of the party indicated.

10. This stipulation shall be governed by and shall be interpreted in accordance with the laws of the State of New York, except to the extent that the Bankruptcy Code or SIPA apply, without regard to New York's rules governing conflicts of laws.

Dated: July 23, 2009

/s Jeffrey S. Margolin

James B. Kobak, Jr.

Jeffrey S. Margolin

HUGHES HUBBARD & REED LLP

One Battery Park Plaza

New York, New York 10004

(212) 837-6000

*Counsel to James W. Giddens, Esq.,
as Trustee for the SIPA Liquidation of
the Business of Lehman Brothers Inc.*

Dated: July 23, 2009.

/s/ Richard P. Krasnow

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*Attorneys for Debtors
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Dated: July 23, 2009.

/s/ William S. Sugden

Grant T. Stein
William S. Sugden
ALSTON & BIRD LLP
1201 West Peachtree Street
Atlanta, Georgia, 30309
404-881-7000

Counsel to the SONICblue Plan Administrator

SO ORDERED THIS __ DAY AUGUST, 2009:

UNITED STATES BANKRUPTCY JUDGE